

MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

PRIVILEGED AND CONFIDENTIAL ATTORNEY CLIENT COMMUNICATION

August 31, 2000

Mr. Tsugio Fukuda
Sports Shinko Co., Ltd.
3-7 Kanda Ogawamachi
Chiyoda-ku, Tokyo 101 JAPAN

Re: Management Agreements.

Dear Mr. Fukuda:

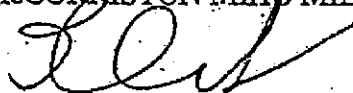
We would like to confirm with you certain very important points that we have discussed this week. We understand that the Sports Shinko Group would like to reorganize its structure of ownership and management operations for its various properties in the State of Hawaii. In that reorganization, Sports Shinko Group would like to delegate the management duties to independent management companies and reserve only the ownership of the properties to the various Sports Shinko subsidiaries.

We have advised Sports Shinko that although such a reorganization is possible, it must be aware of fraudulent conveyances issues both with respect to bankruptcy and foreclosure situations which may affect the effectiveness of the reorganization. Although we understand that it is the intent of Sports Shinko Group to reorganize the various operations in Hawaii to achieve a more efficient management function of the group as a whole, it may be possible for creditors to attack the reorganization effort as a fraudulent conveyance or, in a bankruptcy situation, as either a fraudulent conveyance or a voidable preference. In the worst case scenario, a creditor or a bankruptcy trustee could seek both civil and criminal sanctions. We attach a copy of a newspaper article about Mr. Sukanto Sia who is now being charged with such allegations.

Accordingly, it is critical to the reorganization effort that the management functions be delegated to independent management companies that retain independent counsel who will conduct arms-length negotiations.

Very truly yours,

MCCORRISTON MIHO MILLER MUKAI



Franklin K. Mukai
Eric T. Kawatani

FAUSERS&TOSPORTS\morg-fukuda.jp, epd11

259 0163

P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor • 500 Ala Moana Boulevard • Honolulu, Hawaii 96813
Telephone: (808) 529-7300 • Fax: (808) 524-3293 • E-mail: info@m4law.com

EXHIBIT 26

Mr. Tsugio Fukuda
Sports Shinko Co., Ltd.
August 31, 2000
Page 2

ETK:ti

cc: Mr. Satoshi Kinoshita



87°-77° / Partly cloudy
WEATHER, AA

THE HONOLULU ADVERTISER

HONOLULU, HI

96813-41

Thursday • AUGUST 31, 2000



SIA: Apprehended by FBI
at meeting with creditors.

Sia pleads not guilty after FBI arrest

Lawyer says client

Ex-trustees

▲▲▲

Reorganization plan approved for school

By Alice Keesing
ADVERTISER EDUCATION WRITER

The Kamehameha Schools interim trustees have approved a major reorganization plan for the school.

The reorganization is necessary for the schools to implement the new strategic plan, which will pump more money into the system and expand the education programs, said chief executive officer Hamilton McCubbin, who outlined the plan to the

beneficiary group Nā Pua a Ke Ali'i Pauahi last night.

The most significant change is the creation of a chief education officer position to oversee all three campuses and educational programs.

Each campus will be led by a headmaster, who will report to the chief education officer.

That means Kamehameha Schools President

See SCHOOL, A8

Settlement



259 0165

Sia: Lawyer says he was lured to Hawaii

FROM PAGE ONE

close significant assets and funneling money to friends and relatives to evade creditors.

Sia repeatedly has denied those charges.

Yesterday's sealed federal indictment accuses Sia of diverting \$7.6 million from the sale of a Gulfstream IV jet to companies he controlled and then not telling the bankruptcy court. Sia also is accused of obtaining two state tax refund checks totaling \$757,249.10 and spending the money.

U.S. Attorney Steve Alm said the federal indictment carries a penalty of up to five years in prison and a \$250,000 fine for each charge.

Officials said yesterday that an investigation is continuing, and it is likely they will amend the counts of the indictment as more information is discovered.

Alm said he was not sure how the criminal case will affect Sia's civil bankruptcy case or the liquidation of some assets that could become evidence in a trial later.

In a bail hearing yesterday afternoon before Federal Magistrate Judge Barry Kurren, attorneys for the bankrupt Sia presented a \$50,000 cashier's check to the court for bail.

Sia, dressed in a blue, long-sleeved shirt, slacks and shackles, also offered to surrender his passport and pay for private security guards to watch him if he was granted release or placed under house arrest here in Hawaii.

Prosecutors argued that Sia, a citizen of Singapore, was at risk of fleeing the country and asked that bail be denied.

Kurren denied bail and ordered that Sia be held in jail overnight

Yesterday's criminal indictment is the latest in a series of legal problems that have beset the once high-flying financier.

Sia, formerly Sukarnan Sukarnanto, filed for bankruptcy protection in a Hawaii bankruptcy court Nov. 6, 1998, just weeks after being arrested in Las Vegas in the writing of bad checks at several hotels and casinos. But within a few months, what started out as a bankruptcy reorganization turned into a fire sale as Sia's estate was forced into liquidation.

Millions owed to casinos?

In his bankruptcy filing, Sia said he owed creditors nearly \$300 million, much of it to casinos for gambling debts; he claimed about \$9 million in assets, mostly in properties and stock in Bank of Honolulu, where he served as chairman. Sia, who now lives in Macau, is no longer associated with the bank.

The Clark County District Attorney's office in Las Vegas still has criminal charges pending against Sia for writing bad checks to the Rio Hotel and Casino and Caesar's Palace in 1998. Sia also is facing lawsuits by several banks in Asia, where they allege Sia owes more than \$63 million in unpaid loans.

Sia told The Advertiser earlier this year in an interview that he filed for bankruptcy protection on the advice of his lawyers and had since regretted the decision. He said he has been dogged by lawyers, creditors and the FBI over his complicated and far-flung business interests.

Prosecutors alleged yesterday that Sia and companies he controlled were involved in a scheme to funnel money from the sale of a Gulfstream jet that Sia owned to offshore com-

outside the reach of U.S. courts.

It is a charge that Sia has repeatedly denied.

The scheme, according to prosecutors, involved Sia selling the jet back to Gulfstream for \$20 million. Sia told bankruptcy officials in later court filings that all of the proceeds went to pay Finova Capital Financing, a leasing company that financed the jet's original purchase. But bankruptcy investigators said they found only about \$10 million went to Finova.

Sia, through Honolulu attorney Renton Nip, ordered that \$7.8 million of the proceeds be wired to Arton Pte. Ltd., according to the indictment. Sia owned 99.9 percent of Arton and was its chairman, according to court records. Sia then issued himself a check from Arton for \$7.6 million and deposited that money in a personal Bank of America account in Singapore, prosecutors allege. He then had Bank of America wire \$2 million to Elevate Holdings Ltd., \$2 million to Cyber Enterprises Ltd. and \$3.6 million to A-B-C Pacific Ltd. — all British Virgin Islands holding companies controlled by Sia, according to officials.

Bought jewels for mother

Some creditors yesterday said they are not happy with the recent developments.

Sia said during yesterday's creditor meeting that, despite the bankruptcy case, he traveled to Las Vegas earlier this year and gambled away several hundred thousand dollars from state tax refunds at the Bellagio Hotel and Casino. Sia also said he bought about \$300,000 worth of diamonds, jewelry and ring set for his mother.

not be amused that (Sia) is spending money at other casinos while he still owes them millions," said Don Gelber, the Honolulu attorney representing the Rio and Caesar's in the bankruptcy proceeding.

Sia has requested that his bankruptcy case be dismissed, but most observers say that is unlikely. Sia also has filed a motion to have his \$300 million in debts discharged, leading several creditors to seek judgments on their own so that they can start seizing assets that are not part of the bankruptcy.

"He is a gambling addict, and he is not going to change his ways," said Scott Batterman, an attorney representing a British casino company that is owed \$5.4 million by Sia.

Sia's attorneys raised their own questions yesterday about actions taken by the FBI and the U.S. Attorney's Office in arresting Sia.

"This is not about drugs, or violence," said Sia's newest attorney, John Edmunds. Edmunds said Sia was lured to Hawaii by the government under the pretext of meeting with creditors, but it was really just a ruse to arrest him.

"He knew the government was interested in him," Edmunds said in court yesterday, but he said Sia was unaware that he was facing a federal indictment.

Hoping Sia would spend as little time in jail as possible before the trial, Edmunds asked Kurren for the earliest court date possible. Kurren agreed to expedite Sia's detention hearing to later this afternoon.

Assistant U.S. Attorney Omer Poirier argued that, "The defendant should not be treated any differently because he is rich."

But Edmunds told Kurren the issue was not how rich Sia may be. "I am asking he be treated differently

159 0166



Associated Press

painted clay idol of the 's 10-day festival devoted of the festival, represented the Arabian Sea.

into absent ial opens

RTA, Indonesia — Ex-nt Suharto's corruption aned today amid tight se-ut the former dictator did and the session after doc-ermined he was too sick trial.

morning Suharto's med-n consisting of 23 doctors i the health of our client luded he was sick," at-elix Tampubolon told the ige panel. "Because of could not face the court." cutors immediately asked vo-week adjournment to ir doctors an opportunity line Suharto.

IC ISLANDS

senators back I crackdown

AN, Northern Mariana Is-
- A bipartisan coalition of

MCCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

PRIVILEGED AND CONFIDENTIAL ATTORNEY CLIENT COMMUNICATION

August 31, 2000

Mr. Tsugio Fukuda
Sports Shinko Co., Ltd.
3-7 Kanda Ogawamachi
Chiyoda-ku, Tokyo 101 JAPAN

Re: Management Agreements.

Dear Mr. Fukuda:

We would like to confirm with you certain very important points that we have discussed this week. We understand that the Sports Shinko Group would like to reorganize its structure of ownership and management operations for its various properties in the State of Hawaii. In that reorganization, Sports Shinko Group would like to delegate the management duties to independent management companies and reserve only the ownership of the properties to the various Sports Shinko subsidiaries.

We have advised Sports Shinko that although such a reorganization is possible, it must be aware of fraudulent conveyances issues both with respect to bankruptcy and foreclosure situations which may affect the effectiveness of the reorganization. Although we understand that it is the intent of Sports Shinko Group to reorganize the various operations in Hawaii to achieve a more efficient management function of the group as a whole, it may be possible for creditors to attack the reorganization effort as a fraudulent conveyance or, in a bankruptcy situation, as either a fraudulent conveyance or a voidable preference. In the worst case scenario, a creditor or a bankruptcy trustee could seek both civil and criminal sanctions. We attach a copy of a newspaper article about Mr. Sukamoto Sia who is now being charged with such allegations.

Accordingly, it is critical to the reorganization effort that the management functions be delegated to independent management companies that retain independent counsel who will conduct arms-length negotiations.

Very truly yours,

MCCORRISTON MILLER MUKAI

Franklin K. Mukai
Eric T. Kawatani

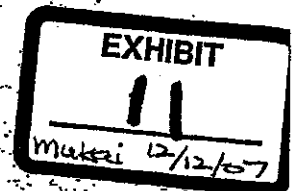


EXHIBIT 8

Mr. Tsugio Fukuda
Sports Shinko Co., Ltd.
August 31, 2000
Page 2

BTk:ti

cc: Mr. Satoshi Kinoshita



87-77° / Partly cloudy
WEATHER, AA

THE HONOLULU ADVERTISER

1000 KUAHA BLVD STE 100
HONOLULU HI 96813

Thursday • AUGUST 31, 2006



SIA: Apprehended by FBI
at meeting with creditors.

Sia pleads not guilty after FBI arrest

TATARDEN: SIA'S CLIENT

Ex-trustees

Reorganization plan approved for school

By Alice Keating
ADVERTISER EDUCATION WRITER

The Kamehameha Schools interim trustees have approved a major reorganization plan for the school.

The reorganization is necessary for the schools to implement the new strategic plan, which will pump more money into the system and expand the education programs, said chief executive officer Hamilton McCubbin, who outlined the plan to the

beneficiary group Na Pua a Ke Ahi Pauahi last night.

The most significant change is the creation of a chief education officer position to oversee all three campuses and educational programs.

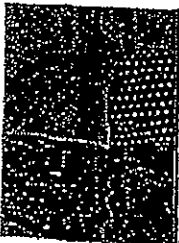
Each campus will be led by a headmaster, who will report to the chief education officer.

That means Kamehameha Schools President

See SCHOOL, A8

Settlement





Associated Press

ly painted clay idol of the
y's 10-day festival devoted
and of the festival, repre-
to the Arabian Sea.

Suharto absent trial opens

JAKARTA, Indonesia — Ex-
tent Suharto's corruption
opened today amid tight se-
but the former dictator did
attend the session after doc-
termined he was too sick
nd trial.

is morning Suharto's med-
am consisting of 23 doctors
ed the health of our client
oncluded he was sick," at-
Felix Tampubolon told the
udge panel. "Because of
is could not face the court."
secutors immediately asked
two-week adjournment to
heir doctors an opportunity
online Suharto.

IFIC ISLANDS

Senators back el crackdown

UPAN, Northern Maldives Is-
— A bipartisan coalition of
senators, including Democ-

FROM PAGE ONE

close significant assets and funnel-
ing money to friends and relatives
to evade creditors.

Sia repeatedly has denied those
charges.

Yesterday's sealed federal indict-
ment accuses Sia of diverting \$7.6
million from the sale of a Gulf-
Stream IV jet to companies he con-
trolled and then not telling the
bankruptcy court. Sia also is ac-
cused of obtaining two state tax re-
fund checks totaling \$757,249.10
and spending the money.

U.S. Attorney Steve Alm said the
federal indictment carries a penalty
of up to five years in prison and a
\$250,000 fine for each charge.

Officials said yesterday that an
investigation is continuing, and it is
likely they will amend the counts of
the indictment as more informa-
tion is discovered.

Alm said he was not sure how
the criminal case will affect Sia's
civil bankruptcy case or the liq-
uidation of some assets that could
become evidence in a trial later.

In a bail hearing yesterday after-
noon before Federal Magistrate
Judge Barry Kurren, attorneys for
the bankrupt Sia presented a
\$60,000 cashier's check to the
court for bail.

Sia, dressed in a blue, long-
sleeved shirt, slacks and a jacket,
also offered to surrender his pas-
port and pay for private security
guards to watch him if he was
granted release, or placed under
house arrest here in Hawaii.

Prosecutors argued that Sia, a
citizen of Singapore, was at risk of
fleeing the country and asked that
bail be denied. They also argued
that Sia be held in jail overnight

Yesterday's criminal indictment
is the latest in a series of legal prob-
lems that have beset the once high-
flying financier.

Sia, formerly Sukhman Suktan-
to, filed for bankruptcy protection in
a Hawaii bankruptcy court Nov. 8,
1998, just weeks after being arrested
in Las Vegas in the wake of bad
checks at several hotels and casinos.
But within a few months, what start-
ed out as a bankruptcy reorganiza-
tion turned into a fire sale as Sia's es-
tate was forced into liquidation.

Millions owed to casinos?

In his bankruptcy filing Sia said
he owed creditors nearly \$300 mil-
lion much of it to casinos for gam-
bling debts; he claimed about \$9
million in assets, mostly in proper-
ties and stock in Bank of Honolulu,
where he served as chairman. Sia,
who now lives in Macau, is no
longer associated with the bank.

The Clark County District Attor-
ney's office in Las Vegas still has
criminal charges pending against
Sia for writing bad checks to the
Rio Hotel and Casino and Caesar's
Palace in 1998. Sia also is facing
lawsuits by several banks in Asia,
where they allege Sia owes more
than \$83 million in unpaid loans.

Sia told The Advertiser earlier
this year in an interview that he
filed for bankruptcy protection on
the advice of his lawyers and had
since regretted the decision. He
said he has been dogged by
lawyers, creditors and the FBI over
his complicated and far-flung busi-
ness interests.

Prosecutors alleged yesterday that
Sia and companies he controlled
were involved in a scheme to funnel
money from the sale of a Gulfstream
jet that Sia owned to offshore com-

panies the receipt of U.S. courts.
It is a charge that Sia has repeat-
edly denied.

The scheme, according to prose-
cutors, involved Sia selling the jet
back to Gulfstream for \$20 million.
Sia told bankruptcy officials in liq-
uidation court filings that all of the pro-
ceeds went to pay Fivora Capital
financing, a leading company that
financed the jet's original pur-
chase. But bankruptcy investiga-
tors said they found only about \$10
million went to Fivora.

Sia, through Honolulu attorney
Renton Nip, ordered that \$7.8 mil-
lion of the proceeds be wired to An-
ton Pta. Ltd., according to the in-
diction. Sia owned 98.9 percent
of Anton and was its chairman, ac-
cording to court records. Sia then
issued himself a check from Anton
for \$7.6 million and deposited that
money in a personal bank of
America account in Singapore,
prosecutors allege. He then had
Bank of America wire \$2 million to
Elevate Holdings Ltd, \$2 million to
Cyber Enterprises Ltd. and \$3.6
million to A-B-C Pacific Ltd. — all
British Virgin Islands holding com-
panies controlled by Sia, according
to officials.

Bought jewels for mother

Some creditors yesterday said
they are not happy with the recent
developments.

Sia said during yesterday's credi-
tor meeting that despite the bank-
ruptcy case, he traveled to Las Ve-
gas earlier this year and gambled
away several hundred thousand
dollars from state tax refunds at
the Bellagio Hotel and Casino, Sia
also said he bought \$300,000 in
jewelry for his mother, a ring and
for his mother.

not be amused that (Sia) is spend-
ing money at other casinos wh-
he still owes them millions," as
Don Galber, the Honolulu attorney
representing the Rio and Caesa-
in the bankruptcy proceeding.

Sia has requested that his bar
supply case be dismissed, but m-
observers say that is unlikely. I-
also has filed a motion to have
\$300 million in debts discharge-
leading several creditors to se-
judgments on their own so th-
they can start seizing assets. I-

are not part of this bankruptcy.
"He is a gambling addict, and he
not going to change his ways," s-
Scott Baltham, an attorney rep-
senting a British casino, compl-
that is owed \$2.4 million by Sia.

Sia's attorneys raised their o-
questions yesterday about ac-
taken by the FBI and the U.S.
Attorney's Office in arresting Sia.

"This is not about drugs, or
lance," said Sia's newest attorn-
John Edmunds. Edmunds said
was lured to Hawaii by the gove-
ment under the pretext of meet-
with creditors, but it was really
a ruse to arrest him.

"He knew the government v-
interested in him," Edmunds s-
in court yesterday, but he said
was unaware that he was facin-
federal indictment.

Hoping Sia would spend as li-
time in jail as possible before the
al, Edmunds asked Kurren for
earliest court date possible. Kur-
agreed to expedite Sia's detain-
hearing to later this afternoon.

Assistant U.S. Attorney On-
Polner argued that "The def-
dant should not be treated any
favourably because he is rich."

But Edmunds told Kurren the
Sia was not how rich Sia may b-
am asking he be treated differ-
treated better than others," he said.

15:25:15 1 fraudulent transfers in connection with Sports Shinko, correct?

15:25:18 2 A. Correct.

15:25:22 3 Q. I'm saying apart from that, do you recall any other
15:25:26 4 communication with anyone at Sports Shinko, whether verbal or in
15:25:31 5 writing, on the subject of fraudulent transfers?

15:25:33 6 A. Not that I can think of.

15:25:36 7 Q. Do you recall when these issues concerning the
15:25:42 8 management agreements, the establishing of management companies,
15:25:51 9 having a concern in your mind that there were some fraudulent
15:25:57 10 transfer issues that needed to be thought about?

15:26:06 11 A. I'm going to now refer to the post litigation document
15:26:11 12 that I saw. And basically, there was communication from myself
15:26:21 13 and actually sent by Mr. Kawatani. I'm not exactly sure what
15:26:32 14 the references were. But is this, that's the document?

15:26:47 15 Q. It may be.

15:26:47 16 Deposition Exhibit 11 was
15:26:47 17 marked for identification.

15:26:57 18 A. So we can move this along. (Viewing.) Well, I
15:27:06 19 think --

15:27:06 20 Q. Let me ask you to identify. Is Exhibit 11 that letter
15:27:12 21 that you were referring to that you saw after the litigation
15:27:13 22 that referred to fraudulent transfer issues?

15:27:16 23 A. That's correct.

15:27:18 24 Q. I'm sorry. You were going to say something about it.

15:27:24 25 A. I'm not sure. Ask the question. I don't want to

15:27:25 1 interrupt you.

15:27:25 2 Q. Do you recognize this as a true and accurate copy of a
15:27:28 3 letter that you and Mr. Kawatani sent to Mr. Fukuda dated
15:27:33 4 August 31, 2000?

15:27:36 5 A. I believe that's Mr. Kawatani's signature, so.
15:27:40 6 Probably so.

15:27:43 7 Q. What was the purpose for sending this letter?

15:27:46 8 A. I think it was a general -- sort of a general warning,
15:28:03 9 be careful, don't do anything that's illegal. But I don't
15:28:13 10 think, you know, there wasn't anything specific that I think he
15:28:16 11 was referring to. But if you're thinking of something, be
15:28:20 12 careful. I think that's basically what the tenor of the letter
15:28:28 13 is. So don't do anything wrong. I think that's basically it.
28:32 14 You know.

15:28:32 15 Q. Did you have a discussion with Mr. Kawatani before
15:28:38 16 this letter was drafted and sent to Mr. Fukuda?

15:28:40 17 A. I can't recall. I can't recall a specific
15:28:49 18 conversation.

15:28:51 19 Q. You and Mr. Kawatani sent this letter as attorneys for
15:28:57 20 whom?

15:29:00 21 MR. BORDNER: I'm going to object unless you clarify
15:29:03 22 what you mean by sent. I mean, you said that he recognized
15:29:08 23 Kawatani's signature. And the rest of it, it assumes facts that
15:29:11 24 aren't in evidence. No foundation.

15:29:14 25 Q. You can answer.

15:29:16 1 A. I don't think we were rep -- you know, I'm not sure.
15:29:27 2 I don't think that idea, who we were representing in writing
15:29:33 3 this letter, came up. It's just sort of a warning type, warning
15:29:39 4 type. Do everything aboveboard. That's basically what I think
15:29:44 5 the intent was.

15:29:45 6 Q. How did you decide to send the letter to Mr. Fukuda
15:29:50 7 versus anybody else affiliated with Sports Shinko?

15:29:55 8 MR. BORDNER: Lacks foundation. Calls for
15:29:57 9 speculation.

15:29:57 10 A. I'm not sure. Probably Mr. Kawatani did.

15:30:06 11 Q. Do you have any information on that?

15:30:10 12 A. I don't have a recollection.

15:30:10 13 Q. Was Sports Shinko Co., Limited, your client?

15:30:15 14 A. Sports Shinko Co., Limited? No, that's the address
15:30:20 15 for Mr. Fukuda.

15:30:22 16 Q. Who did you understand Mr. Fukuda to be a
15:30:26 17 representative of?

15:30:27 18 A. Well, most of the communications with respect to the
15:30:34 19 Hawai'i companies went to Mr. Fukuda or Mr. Satoshi Kinoshita.

15:30:41 20 Q. Do you know why this letter was addressed to
15:30:48 21 Mr. Fukuda as opposed to Satoshi Kinoshita?

15:30:51 22 A. Well, both got it, you know.

15:30:54 23 Q. How do you know?

15:30:57 24 A. If you look on the next page, it says cc, Satoshi
15:31:03 25 Kinoshita.

15:31:09 1 Q. Why did you address it to Mr. Fukuda and cc'ed
15:31:16 2 Mr. Satoshi Kinoshita versus addressing the letter to Satoshi
15:31:21 3 Kinoshita?

15:31:21 4 A. There's no reason I could say today.

15:31:29 5 Q. Was there specific concern about fraudulent
15:31:34 6 conveyances or transfers raised because of the management
15:31:40 7 agreements that Sports Shinko was having you draft up?

15:31:45 8 A. I don't think so. I think it was just a, you know,
15:31:55 9 just a general basis to say -- sort of a make sure that you're
15:32:12 10 doing everything aboveboard.

15:32:13 11 Q. Well, the re clause specifically references the
15:32:18 12 management agreements, correct?

15:32:18 13 A. Yeah. Well, you know, Eric drafted.

15:32:27 14 Q. Did you review this letter before it was sent?

15:32:31 15 A. I'm not sure. It could very well be. I'm sure maybe
15:32:40 16 he talked to me on it. I have no recollection.

15:32:46 17 Q. Based upon your general practice at your firm and your
15:32:51 18 being the responsible attorney on the Sports Shinko matters,
15:32:55 19 would the normal practice be for you to have reviewed this
15:32:58 20 letter, Exhibit 11, before it went out?

15:33:00 21 A. I guess. I guess to the extent that they thought it
15:33:06 22 was important, he'd probably contact me. If it's other things,
15:33:11 23 then maybe not -- as to what that priority was.

15:33:18 24 Q. In your mind, is this a letter of importance such that
15:33:22 25 you would normally review it before it went out?

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

SPORTS SHINKO CO., LTD.,) CV 04-00124 ACK-BMK
Plaintiff,) CV 04-00127 ACK-BMK
vs.) CONSOLIDATED CASES
QK HOTEL, LLC., et al.,)
Defendants,)
and)
FRANKLIN K. MUKAI, et al.,)
Third-Party)
Plaintiffs,) DEPOSITION OF
vs.) FRANKLIN K. MUKAI
Volume I
SPORTS SHINKO (USA) CO.,) (Pages 1 - 150)
LTD., et al.,) (Exhibits 1 - 11)
Third-Party)
Defendants,)
and)
SPORTS SHINKO (HAWAII) CO.,)
LTD., et al.,)
Third-Party)
Defendants/
Counterclaimants,)
vs.)
QK HOTEL, LLC, et al.,)
Third-Party)
Counterclaim)
Defendants.)
AND CONSOLIDATED CASES)

DEPOSITION OF FRANKLIN K. MUKAI

Taken on behalf of PLAINTIFFS AND THIRD-PARTY DEFENDANTS THE
SPORTS SHINKO COMPANIES, at the offices of Alston Hunt Floyd &
Ing, 20th Floor, ASB Tower, 1001 Bishop Street, Honolulu,
Hawai'i 96813, commencing at 9:03 a.m., on Wednesday,
December 12, 2007, pursuant to first amended notice.

BEFORE: JOY C. TAHARA, RPR, CSR 408
Notary Public, State of Hawai'i

A P P E A R A N C E S

FOR PLAINTIFFS AND
THIRD-PARTY DEFENDANTS
THE SPORTS SHINKO COMPANIES

BRUCE K. WAKUZAWA, ESQ.
Alston Hunt Floyd & Ing
American Savings Bank Tower
1001 Bishop Street,
18th Floor
Honolulu, Hawai'i 96813
Tel. (808) 524-1800
Fax. (808) 524-4591
bwakuzawa@ahfi.com

FOR DEFENDANT AND THIRD-PARTY
PLAINTIFF
FRANKLIN K. MUKAI:

WILLIAM A. BORDNER, ESQ.
Burke McPheeters Bordner &
Estes
3100 Mauka Tower, Pacific
Guardian Center
737 Bishop Street
Honolulu, Hawai'i 96813
Tel. (808) 523-9833
Fax. (808) 528-1656
bbordner@bmbe-law.com

FOR DEFENDANTS,
COUNTERCLAIMANTS, AND
THIRD-PARTY PLAINTIFFS
KG HOLDINGS, LLC, KIAHUNA
GOLF CLUB, LLC, KG KAUAI
DEVELOPMENT, LLC, PUKALANI
GOLF CLUB, LLC, KG MAUI
DEVELOPMENT, LLC, MILILANI
GOLF CLUB, LLC, QK HOTEL,
LLC, and OR HOTEL, LLC:

ROBERT A. MARKS, ESQ.
Price Okamoto Himeno & Lum
Ocean View Center
707 Richards Street,
Suite 728
Honolulu, Hawai'i 96813
Tel. (808) 538-1113
Fax. (808) 533-0549
ram@pohlhawaii.com

FOR
MCCORRISON MILLER MUKAI
MACKINNON, LLP:

JOHN Y. YAMANO, ESQ.
McCorrison Miller Mukai
MacKinnon, LLP
Five Waterfront Plaza,
4th Floor
500 Ala Moana Boulevard
Honolulu, Hawai'i 96813
Tel. (808) 529-7414 [Direct]
Fax. (808) 535-8030 [Direct]
yamano@m4law.com

Also present:

MR. WAYNE TANIGAWA

C E R T I F I C A T E

STATE OF HAWAI'I)
) ss.
CITY AND COUNTY OF HONOLULU)

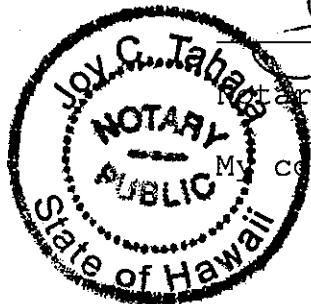
I, JOY C. TAHARA, RPR, CSR 408, Notary Public, State
of Hawai'i, hereby certify:

That on Wednesday, December 12, 2007, at 9:03 a.m.,
before me appeared FRANKLIN K. MUKAI, the witness whose
deposition is contained herein; and that prior to being examined
was duly sworn;

That I am neither counsel for any of the parties
herein nor interested in any way in the outcome of this action;

That the deposition herein was by me taken down in
machine shorthand and thereafter reduced to print via
computer-aided transcription; that the foregoing represents, to
the best of my ability, a complete and accurate transcript of
the testimony of said witness.

DATED: Honolulu, Hawai'i, December 16, 2007 .



Joy C. Tahara
Notary Public, State of Hawai'i

My commission expires: 10/11/10